

SIDNEY STRICKLAND AND ASSOCIATES, PLLC

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SIDNEY L. STRICKLAND, JR.
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September 19, 2006

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

FILED

SEP 19 2006

SURFACE
TRANSPORTATION BOARD

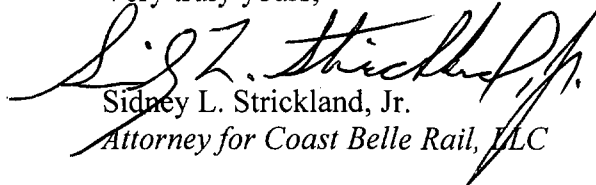
**Re: Finance Docket No. 34923, Coast Belle Rail, LLC—Acquisition
Exemption – Santa Maria Valley Railroad Company**

Dear Secretary Williams:

Enclosed please find an original and 10 copies of the Verified Notice of Exemption under 49 C.F.R. 1150.31 *et seq.* for filing with the Board in the above-referenced matter.

Also enclosed is a check in the amount of \$1,500.00 for the filing fee.

Very truly yours,


Sidney L. Strickland, Jr.
Attorney for Coast Belle Rail, LLC

ENTERED
Office of Proceedings

SEP 20 2006

Part of
Public Record

FEE RECEIVED

SEP 19 2006

SURFACE
TRANSPORTATION BOARD

217573

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 34923

COAST BELLE RAIL, LLC
-- ACQUISITION EXEMPTION --
SANTA MARIA VALLEY RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31, *ET SEQ.*

COAST BELLE RAIL, LLC
1627 Tanglewood Drive
San Luis Obispo, CA 93401

ENTERED
Office of Proceedings

SEP 20 2006

Part of
Public Record

By: SIDNEY L. STRICKLAND, JR
ELIZABETH E. WAITE
SIDNEY STRICKLAND AND ASSOCIATES
3050 K Street, N.W.,
Suite 101
Washington, DC 20007
(202) 338-1325

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SURFACE
TRANSPORTATION BOARD

Attorneys for Coast Belle Rail, LLC

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SURFACE
TRANSPORTATION BOARD

September 19, 2006

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 34923

**COAST BELLE RAIL, LLC
-- ACQUISITION EXEMPTION --
SANTA MARIA VALLEY RAILROAD COMPANY**

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31, *ET SEQ.***

COAST BELLE RAIL, LLC (“CBRL”), a non-carrier, files this Verified Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (“Board”), to permit CBRL to acquire the rail line currently owned by Santa Maria Valley Railroad Company (“SMVRR”) extending between Milepost 3.26 near Guadalupe, CA and Milepost 9.00 in Santa Maria, CA, including the Airbase Branch, located between Milepost 9A in Santa Maria, CA and Milepost 12A, all located in Santa Barbara County, California (the “Rail Line”). The total distance of the Rail Line is approximately 8.74 miles.

In support of this Notice of Exemption, CBRL submits the following information as required by 49 C.F.R. § 1150.33:

(a) Full name address of applicant:

Coast Belle Rail, LLC
1627 Tanglewood Drive
San Luis Obispo, CA 93401

(b) Applicant's Representative:

Robert Himoto
President
Coast Belle Rail, LLC
1627 Tanglewood Drive
San Luis Obispo, CA 93401
(805) 748-4259

Sidney L. Strickland, Jr.
Elizabeth E. Waite
Sidney Strickland and Associates, PLLC
3050 K Street, NW
Suite 101
Washington, DC 20007
(202) 338-1325

Attorneys for Coast Belle Rail, LLC

(c) Statement of Agreements:

An agreement has been reached between CBRL and SMVRR that will govern the purchase of the Rail Line by CBRL.

(d) The operator of the line will be:

Coast Belle Rail Corp.
d/b/a
Santa Maria Valley Railroad
628 South McClelland Street
Santa Monica, CA 93454

(e) Summary of the proposed transaction:

1. The name and address of the railroad transferring the property is:

Santa Maria Valley Railroad Company
628 South McClelland Street
Santa Monica, CA 93454

2. The proposed time schedule for the consummation of the transaction.

The consummation of the proposed transaction is scheduled to take place on
or soon after the date this Notice of Exemption becomes effective.

3. The Milepost of the subject property, including any branch lines.

CBRL will purchase the rail line currently owned by Santa Maria Valley Railroad Company extending between Milepost 3.26 near Guadalupe, CA and Milepost 9.0 in Santa Maria, CA, including the Airbase Branch, located between Milepost 9A in Santa Maria, CA and Milepost 12A, all located in Santa Barbara County, California (the "Rail Line").

4. CBRL is acquiring approximately 8.74 route miles.

(f) A map of the Rail Line is attached as Exhibit A.

(g) A Certificate of Compliance, as required by 49 C.F.R. § 1150.33(g), is attached as Exhibit B.

(h) A caption summary, as required by 49 C.F.R. § 1150.34, is attached as Exhibit C.

(i) No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation.

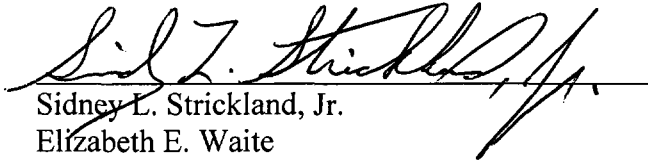
Hence, this Notice of Exemption does not require documentation under 49 C.F.R. § 1105.6(b)(4) and (c)(2)(i).

(j) An historic report is not required because CBRL is acquiring the Rail Line for continued rail operations. Further Board approval will be required to discontinue or abandon any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

Coast Belle Rail, LLC
1627 Tanglewood Drive
San Luis Obispo, CA 93401

A handwritten signature in black ink, appearing to read "Sid L. Strickland, Jr.", is written over a horizontal line.

Sidney L. Strickland, Jr.
Elizabeth E. Waite
Sidney Strickland and Associates, PLLC
3050 K Street, NW
Suite 101
Washington, DC 20007
(202) 338-1325

Attorneys for Coast Belle Rail, LLC

September 19, 2006

EXHIBIT A

Santa Maria Valley Railroad Right of Way

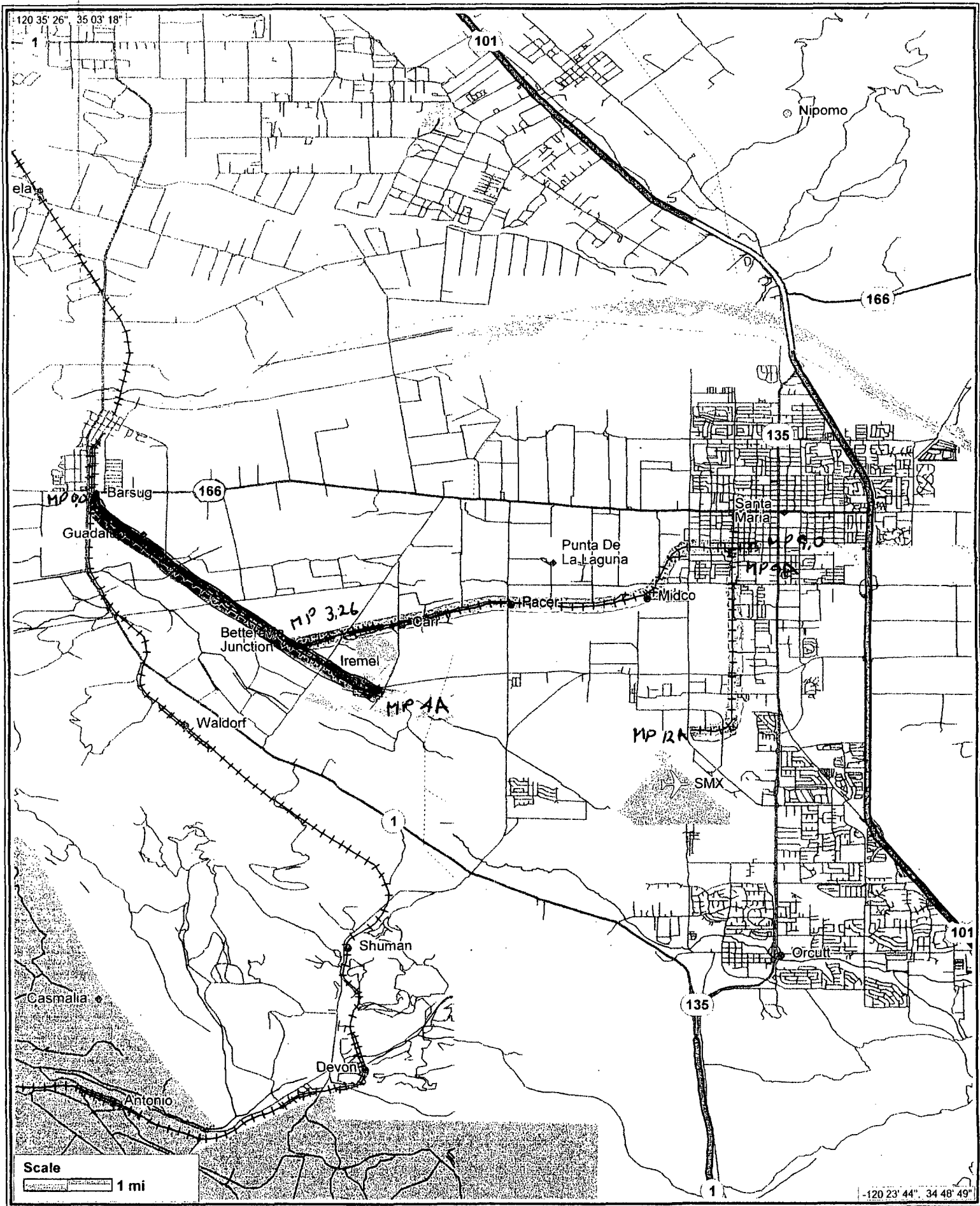


EXHIBIT B

CERTIFICATION

I, Robert Himoto, being duly sworn, certify that I am President of Coast Belle Rail, LLC, and that the projected annual revenues of Coast Belle Rail, LLC operations would not exceed those that would make it a Class III carrier under 49 C.F.R. § 1201 (1-1).


Robert Himoto

State of California)
County of San Luis Obispo) SS.

On September 18, 2006 before me, Michelle C. Brechtel, Notary Public,
Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Robert Himoto,
Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand official seal.

Print Notary Seal Above

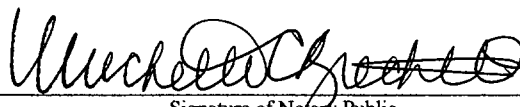

Signature of Notary Public

EXHIBIT C

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 34923

COAST BELLE RAIL, LLC
—ACQUISITION EXEMPTION—
SANTA MARIA VALLEY RAILROAD COMPANY

Coast Belle Rail, LLC (“CBRL”), a non-carrier, has filed a notice of exemption to acquire a rail line owned by Santa Maria Valley Railroad Company (“SMVRR”) extending between Milepost 3.26 near Guadalupe, CA and Milepost 9.0 in Santa Maria, CA, including the Airbase Branch, located between Milepost 9A in Santa Maria, CA and Milepost 12A, all located in Santa Barbara County, California. The total distance of the line is approximately 8.74 miles.

An original and 10 copies of all pleadings referring to STB Finance Docket No. 34923, must be filed with the Surface Transportation Board, Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Sidney L. Strickland, Jr., 3050 K Street N.W., Suite 101, Washington, DC 20007, (202) 338-1325.

A notice of exemption for Coast Belle Rail Corp., d/b/a Santa Maria Valley Railroad to operate the Line was concurrently filed in Finance Docket No. 34927, *Coast Belle Rail Corp., d/b/a Santa Maria Valley Railroad —Operation Exemption—Line of Coast Belle Rail, LLC*.

The notice is filed under §1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49

U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Date: September_____, 2006

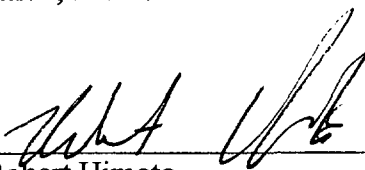
By the Board

Vernon A. Williams

Secretary

VERIFICATION

I, Robert Himoto, being duly sworn, depose and state that I am President of Coast Belle Rail, LLC, that I am authorized to make this verification, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.



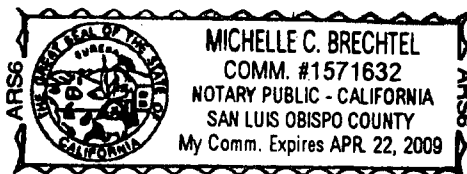
Robert Himoto

State of California)
County of San Luis Obispo) SS.

On September 18, 2006 before me, Michelle C. Brechtel, Notary Public,
Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Robert Himoto,
Name(s) of Signer(s)

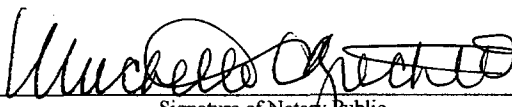
☒ personally known to me

☐ proved to me on the basis of satisfactory evidence to the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand official seal.

Print Notary Seal Above



Signature of Notary Public